AMENDED

REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES
TO PROVIDE PRE-PAID DEBIT (STORED VALUE) CARD SERVICES
FOR THE STATE OF DELAWARE

ISSUED BY THE DELAWARE STATE TREASURY

I.   General Information

A.   Introduction

1.   The Delaware State Treasury ("Treasury"), acting by and on behalf of the State of Delaware ("State"), desires to establish a contractual relationship with a vendor to provide stored value card ("SVC") services to a variety of state government programs. The Treasury will have oversight for this relationship and will have direct responsibility for managing its card program on behalf of state agencies with the vendor. The cash management specifications have been established by Treasury. This Request for Proposal ("RFP") is issued pursuant to 29 *Del. C, Ch. 69,* §§ 6981, 6982 , 6986 and Ch. 27, §§ 2705,2707 and 2711.

2.   The desired effect of this initiative is to further reduce the use of checks for payments and to provide enhanced customer service to State payment recipients. Treasury has successfully moved some payments from check to automated ACH, but those payments are exclusively to those recipients who have established bank accounts. Since some State clients are "unbanked," using stored value cards will allow them to be paid in a convenient and cost-effective manner.

3.   In this RFP, the term stored value card means the same as pre-paid debit card and paycard. Unless otherwise stated herein, all references to "days" shall mean business days. All exhibits attached hereto are hereby incorporated into this RFP.

4.   Vendors may submit either one or two bids. All vendors <u>must</u> bid on providing SVC services for programs in Group A set forth in Section I-B below. Vendors may additionally provide bids that include programs in both Group A and Group B below. *Group A programs are disbursed directly by Treasury. Group B programs are disbursed by their respective agencies.*

B. Overview

1.   There are certain State programs that have been identified as strong candidates to participate in the SVC contract. Such programs are listed below along with their estimated volumes of payments:

Group A

Agency	Program	Estimated SVC Monthly Payments	Monthly Dollar Amount	File Transfer Frequency
Treasury / Div of Revenue	Tax refund payments	12,528	$21,118,188.44	Daily
Treasury / First State Financials	Vendor payments	17,249	$94,963,914.28	Daily
Treasury / State Pension Office	Retiree pension payments	839	$1,371,433.97	Monthly
Treasury / PHRST-Payroll	Employee payroll payments	2,406	$1,847,436.81	Bi-Weekly
Treasury / DSCYF*	Foster & adoptive parent payments	210	$95,000.00	Monthly

* Department of Services for Children, Youth and their Families

Group B

Agency	Program	Estimated SVC Monthly Payments	Monthly Dollar Amount	File Transfer Frequency
Department of Correction	Inmate release	220	$18,000.00	Daily
DHSS * / Social Services	TANF	5,600	$1,500,000.00	Monthly
DHSS / Social Services	General Assistance	4,000	$360,000.00	Monthly
Div of Unemployment Insurance	Unemployment insurance benefits	26,000	$7,000,000.00	Daily
DHSS / Child Support Enforcem	Child Support	22,000	$2,000,000.00	Daily

* Department of Health and Social Services

2.   In addition to the State programs set forth above, there are other State programs that may offer SVC services during the term of the contract. These potential State programs include:

Group C

Delaware State University	Student Work Program
Court System	Juror payment; restitution
DHSS / Social Services	Food Supplement Program

The respective volumes and details of Group C programs will not be part of this RFP.

C.   Timetable.

a.   The estimated date for implementing this SVC relationship is August 1, 2012. The estimated RFP timetable is:

March 19	RFP published
April 2	Amended RFP published
April 11	Pre-bid teleconference
May 1	Deadline for submitting proposals
May 18	Contract awarded
May 18-July 31	Pre-launch work including file testing and card production
August 1	SVC relationship launched

b.   It is Treasury's intention to implement both the RFP process and the resulting relationship start-up with a sense of urgency.   By submitting a proposal, it is assumed that the vendor has fully considered the efforts involved and that the vendor will commit the necessary resources to achieve the State's goal of launching this SVC relationship on or before the date stated above.

D.   Transmittal letters.

Each proposal must be accompanied by a transmittal letter which briefly summarizes the proposing firm's interest in providing the required professional services. The transmittal letter must also clearly state and justify any exceptions to the requirements of the RFP which the applicant may have taken in presenting the proposal. Furthermore, the transmittal letter must attest to the fact that no activity related to this proposal contract will take place outside of the United States. The State reserves the right to deny any and all exceptions taken to the RFP requirements.

II.   Scope of Services

A.   Minimum requirements.

        1.   Delaware business license: At the time of proposal submission, provide evidence of a Delaware business license or evidence of an application to obtain the business license if awarded the contract.

        2.   Professional liability insurance: At the time of proposal submission,provide evidence of professional liability insurance in the amount of $3,000,000.00.

        3.   Current legal actions: Include any information regarding any current legal actions, lawsuits, arbitration, or formal protests, or investigation(s) by a regulatory authority or contingent liabilities your companies, its officers or its principals have been involved in at the time the proposal is submitted which are ongoing. Additionally, include information about any during the past eight (8) years which have been resolved, closed, settled or dismissed.

B.   General Evaluation Requirements.

In their proposals, bidders will address each of the requirements below in this section. Requirements should be restated (including their numbers) in the proposal, followed by their respective responses. Responses may provide detail, but at the very least they <u>must indicate compliance</u>.   Failure to fully address each requirement may be considered "non-responsive" and may disqualify the vendor's proposal. (It is not necessary to restate the text in italics.)   The vendor will:

        1.   Operate a statewide SVC program.

The State makes no commitment of specific programs and volumes to this SVC relationship. However, the State has identified certain programs as expressing interest in participating. See Section I-B above. More information about them may be found in Exhibit E of this RFP:

        2.   Provide a payment card that is affiliated with a major national card association brand – Visa®, MasterCard®, Discover® or American Express®.

                a.   The SVC must be usable for purchases at all merchant outlets honoring that brand.

                b.   The SVC must be usable in either PIN-based or signature-based mode.

        3.   Meet all applicable federal, state and local requirements associated with sponsoring card program (including, but not limited to, Regulation E requirements issued by the Board of Governors of Federal Reserve ("Regulation E") and those regulations that may apply specifically to government programs. Regulation E may be accessed online at: http://www.federalreserve.gov/regulations/cg/regecg.htm.)

        4.   Provide agency/program-level online information reporting for purposes of monitoring daily SVC use, summary reporting, and troubleshooting. Reporting must include:

- Number of new SVCs mailed (daily, weekly and/or monthly) with associated account information

- Number of SVCs returned to the vendor in the mail (with reasons) with associated account information
- Number of replacement SVCs mailed
- Dollar volume of SVCs issued (daily, weekly and/or monthly)

5.   Ensure that cards may only be loaded by the State (the agencies operating the respective programs) and merchants making refunds on card purchases. In addition, vendor shall ensure the following:

     a.   The SVC will have no line of credit.

     b.   The State may make reversals to any SVC account to adjust for loads that were made in error.

6.   Ensure the safekeeping of cardholders' confidential information.

     a.   Vendors may <u>not</u> share any information with its affiliates and partners.

     b.   Vendors will fully describe their security procedures.

7.   Establish new SVC accounts in a timely manner. For at least 95 percent of new cardholders:

- Accounts must be established within two (2) days of receiving all necessary cardholder account information from the participating agency. *For example, where a data file is received by the vendor on a Tuesday, the account must be established by Thursday. The vendor should exceed this minimum standard if possible.*
- SVCs must be shipped by first class mail within three (3) days of receiving all necessary cardholder account information (no later than one (1) day after the account is established).

8.   For existing clients, payments must be loaded and available within eight (8) hours of receiving the agency payment file.

9.   Maintain an Interactive Voice Response ("IVR") system and website for the purpose of customer support, to include balance inquiries. *The vendor should provide reliability metrics, including the source for those statistics, as well as availability schedule.*

10.   Maintain a live operator call-in center that is available at a minimum from 6:00 a.m. through 9:00 p.m. EST., and that is tailorable to the unique business processes of each agency. *The vendor should describe its ability to interact with non-English speaking clients, including the center's availability schedule.*

11.   Maintain a Disaster Recovery Plan to ensure that the State's SVC programs will not be impacted by natural and man-made disasters. *The vendor will describe its plan in detail, including its hot sites (if any) and frequency of testing.*

12.   Maintain a letter of credit ("LOC") with an independent financial institution in the amount of $1.0 million for the purpose of allowing the State to file a claim for corrective action in the event there is a funding deficiency. *The vendor will provide a statement in its proposal affirming that an LOC will be obtained upon entering into the contractual relationship with the State.*

13.   Dedicate key personnel to manage the ongoing relationship with the State.   Among others, identify:

- Relationship manager
- Day-to-day primary customer service officer
- Information Management officer
- Implementation team leader

The vendor will not only provide complete contact information for these persons, but also for its implementation team that will be responsible for such pre-launch tasks as programming, file transfer testing and online reporting.

14.   Ensure Electronic Funds Transfer ("EFT") capabilities using National Automated Clearing House Association (NACHA) standards.   The vendor must be capable of accepting ACH transfers and Fedwire transfers for funding purposes. *The State will use ACHs as its standard funding method and wires as its back-up method.*

15.   Provide invoicing to the respective State agencies, when necessary, on a quarterly basis. Invoices will include: appropriate supporting reports, payment terms, and contact information. *The State will use ACH as its standard invoice payment method.*

III.   Required Information

The following information shall be provided in each proposal in the order listed below. Failure to respond to any request for information within this proposal may result in rejection of the proposal at the sole discretion of the State.

A.   Minimum requirements.

1.   Delaware business license: At the time of proposal submission, provide evidence of a Delaware business license or evidence of an application to obtain the business license if awarded the contract.

2.   Professional liability insurance: At the time of proposal submission, provide evidence of professional liability insurance in the amount of $3,000,000.00.

3.   Current legal actions: Include any information regarding any current legal actions, lawsuits, arbitration, or formal protests, or investigation(s) by a regulatory authority or contingent liabilities your companies, its officers or its principals have been involved in at the time the proposal is submitted which are ongoing. Additionally, include information about any during the past eight (8) years which have been resolved, closed, settled or dismissed.

B.   General Evaluation Requirements.

The bidders will be evaluated on the following criteria:

1.   Pricing – Is the offered pricing competitive for the offered services?

2.   Dedicated Government Group – Is the bidder providing a section of their workforce dedicated to serving DST's needs under this proposed contract? What is the experience of that group? Is there a dedicated customer service representative (CSR) for each account or agency?

3.   Quality Assurance – How does the bidder monitor the quality of its work? Is the monitoring internal or external? How does the bidder resolve error issues? What is the turn-around time on error resolution?

4.   RFP Response - In their proposals, bidders will address each of the requirements in the scope of services listed above. Requirements should be restated (including their numbers) in the proposal, followed by their respective responses. Responses may provide detail, but at the very least they must indicate compliance.   Failure to fully address each requirement may be considered "non-responsive" and may disqualify the vendor's proposal. (It is not necessary to restate the text in italics.) In addition, all bidders should respond to all the requirements found in the Exhibits to this RFP.

5.   Disaster Recovery Plan - How well does the proposed service safeguard State data and funds?

IV. Professional Services RFP Administrative Information

A. RFP Issuance

1. Obtaining Copies of the RFP

This RFP is available in electronic form through the Treasury website at *http://treasury.delaware.gov/your-treasury/requests-for-proposals/*. Additional electronic copies of this RFP will be made available at such locations or websites designated by the Treasury. Paper copies of this RFP will not be available.

2. Public Notice

Public notice has been provided in accordance with 29 *Del. C*. § 6981.

3. Assistance to Vendors with a Disability

Vendors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the RFP Designated Contact no later than ten (10) days prior to the deadline for receipt of proposals.

4. RFP Designated Contact

All requests, questions, or other communications about this RFP shall be made in writing to the State. Address all communications to the person listed below; communications made to other State personnel or attempting to ask questions by phone or in person will not be allowed or recognized as valid and may disqualify the vendor. Vendors should rely only on written statements issued by the RFP Designated Contact.

Banking Services Manager James DiDonato
Delaware State Treasury
820 Silver Lake Blvd, Suite 100, Dover DE 19904
james.didonato@state.de.us

To ensure that written requests are received and answered in a timely manner, electronic mail (e-mail) correspondence is acceptable, but other forms of delivery, such as postal and courier services can also be used.

5. Consultants and Legal Counsel

The State may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the vendors' responses. Bidders shall not contact them on any matter related to the RFP.

6. Contact with State Employees

Direct contact with State employees other than the RFP Designated Contact regarding this RFP is expressly prohibited without prior consent. Vendors directly contacting State employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing

business in the State who require contact in the normal course of doing that business.

The State will communicate only with a single point of contact for each vendor.

7. **Organizations Ineligible to Bid**

Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity including subcontractors currently debarred or suspended is ineligible to bid. Any entity ineligible to conduct business in the State for any reason is ineligible to respond to the RFP.

8. **Pre-Bid Teleconference**

A pre-bid teleconference will be held at 10:00 a.m. EST on April 11, 2012. This telephone call will be hosted and moderated by Treasury. The purpose is to allow vendors to clarify any issues and ask questions that will improve their understanding of the affected programs. Questions about the RFP may be submitted before and during the teleconference to the State's designated contact in IV-A-4. A single comprehensive response will be provided for this entire RFP process, and it will be posted on the same website where the RFP itself is posted: *http://treasury.delaware.gov/your-treasury/requests-for-proposals/*. **It is the responsibility of the vendor to email the RFP designated contact to obtain the teleconference dial-in instructions; this should be available by April 4.**

9. **Exclusions**

The Proposal Evaluation Team reserves the right to refuse to consider any proposal from a vendor who:

a) Has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;

b) Has been convicted under State or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State vendor;

c) Has been convicted or has had a civil judgment entered for a violation under State or federal antitrust statutes;

d) Has violated contract provisions such as:

1) Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or

2) Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;

e) Has violated ethical standards set out in law or regulation; and

f) Any other cause listed in regulations of the State determined to be serious and compelling as to affect responsibility as a State vendor, including suspension or debarment by another governmental entity for a cause listed in the regulations.

B.   RFP Submissions

1.   Acknowledgement of Understanding of Terms

By submitting a bid, each vendor shall be deemed to acknowledge that it has carefully read all sections of this RFP, including all forms, schedules and exhibits hereto, and has fully informed itself as to all existing conditions and limitations.

2.   Proposals

To be considered, all proposals must be submitted in writing and respond to the items outlined in this RFP.   A complete response will contain the elements shown in Exhibit A. The State reserves the right to reject any non-responsive or non-conforming proposals. Each proposal must be submitted with two paper copies and one electronic copy on CD. One of the paper copies should be clearly labeled as "ORIGINAL."

All properly sealed and marked proposals are to be sent to the State and received no later than 4:00 p.m. EST on May 1, 2012. The proposals may be delivered by Express Delivery (e.g., FedEx, UPS, etc.), US mail, or by hand to:

Banking Services Manager James DiDonato
Delaware State Treasury
820 Silver Lake Boulevard, Suite 100, Dover DE 19904

Sealed containers (boxes or envelopes) should be clearly marked with the contract number, as found on the first page of this document. Any proposal submitted by US Mail shall be sent by either certified or registered mail. The proposing vendor bears the risk of delays in delivery. The contents of any proposal shall not be disclosed as to be made available to competing entities during the negotiation process.

Upon receipt of vendor proposals, each vendor shall be presumed to be thoroughly familiar with all specifications and requirements of this RFP. The failure or omission to examine any form, instrument or document shall in no way relieve vendors from any obligation in respect to this RFP.

3.   Proposal Modifications

Any changes, amendments or modifications to a proposal must be made in writing, submitted in the same manner as the original response and conspicuously labeled as a change, amendment or modification to a previously submitted proposal. Changes, amendments or modifications to proposals shall

not be accepted or considered after the hour and date specified as the deadline for submission of proposals.

4. **Proposal Costs and Expenses**

The State will not pay any costs incurred by any vendor associated with any aspect of responding to this solicitation, including proposal preparation, printing or delivery, attendance at vendor's conference, system demonstrations or negotiation process.

5. **Proposal Expiration Date**

Prices quoted in the proposal shall remain fixed and binding on the bidder for a period of at least two (2) years from the date the contract is signed by the State.

6. **Late Proposals**

Proposals received after the specified date and time will not be accepted or considered. To guard against premature opening, sealed proposals shall be submitted, plainly marked with the proposal title, vendor name, and time and date of the proposal opening. Evaluation of the proposals is expected to begin shortly after the proposal due date. To document compliance with the deadline, the proposal will be date and time stamped upon receipt.

7. **Proposal Opening**

The State will receive proposals until the date and time shown in this RFP. Proposals will be opened only in the presence of State personnel. Any unopened proposals will be returned to vendor.

There will be no public opening of proposals but a public log will be kept of the names of all vendor organizations that submitted proposals. The contents of any proposal shall not be disclosed to competing vendors prior to contract award.

8. **Non-Conforming Proposals**

Non-conforming proposals will not be considered. Non-conforming proposals are defined as those that do not meet the requirements of this RFP. The determination of whether an RFP requirement is substantive or a mere formality shall reside solely within the State.

9. **Concise Proposals**

The State discourages overly lengthy and costly proposals. It is the desire that proposals be prepared in a straightforward and concise manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a complete and effective proposal are not desired. The State's interest is in the quality and responsiveness of the proposal.

10. **Realistic Proposals**

It is the expectation of the State that vendors can fully satisfy the obligations of the proposal in the manner and timeframe defined within the proposal. Proposals must be realistic and must represent the best estimate of time,

materials and other costs including the impact of inflation and any economic or other factors that are reasonably predictable.

The State shall bear no responsibility or increase obligation for a vendor's failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.

11. **Confidentiality of Documents**

All documents submitted as part of the vendor's proposal will be deemed confidential during the evaluation process. Vendor proposals will not be available for review by anyone other than the State, the Proposal Evaluation Team or its designated agents. There shall be no disclosure of any vendor's information to a competing vendor prior to award of the contract.

The State is a public agency as defined by state law, and as such, it is subject to the Delaware Freedom of Information Act, 29 *Del. C.* Ch. 100. Under the law, all the State's records are public records (unless otherwise declared by law to be confidential) and are subject to inspection and copying by any person. Vendor(s) are advised that once a proposal is received by the State and a decision on contract award is made, its contents will become public record and nothing contained in the proposal will be deemed to be confidential except proprietary information.

Vendor(s) shall not include any information in their proposal that is proprietary in nature or that they would not want to be released to the public. Proposals must contain sufficient information to be evaluated and a contract written without reference to any proprietary information. If a vendor feels that they cannot submit their proposal without including proprietary information, they must adhere to the following procedure or their proposal may be deemed unresponsive and will not be recommended for selection. Vendor(s) must submit such information in a separate, sealed envelope labeled "Proprietary Information" with the RFP number. The envelope must contain a letter from the vendor's legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not "public record" as defined by 29 *Del. C.* § 10002(d), and briefly stating the reasons that each document meets the said definitions.

Upon receipt of a proposal accompanied by such a separate, sealed envelope, the State will open the envelope to determine whether the procedure described above has been followed.

12. **Multi-Vendor Solutions (Joint Ventures)**

Multi-vendor solutions (joint ventures) will be allowed only if one of the venture partners is designated as the "**prime contractor**". The "**prime contractor**" must be the joint venture's contact point for the State and be responsible for the joint venture's performance under the contract, including all project management, legal and financial responsibility for the implementation of all vendor's systems. If a joint venture is proposed, a copy of the joint venture agreement clearly

describing the responsibilities of the partners must be submitted with the proposal. Services specified in the proposal shall not be subcontracted without prior written approval by the State, and approval of a request to subcontract shall not in any way relieve vendor of responsibility for the professional and technical accuracy and adequacy of the work. Further, vendor shall be and remain liable for all damages to the State caused by negligent performance or non-performance of work by its subcontractor or its sub-subcontractor.

Multi-vendor proposals must be a consolidated response with all cost included in the cost summary. Where necessary, RFP response pages are to be duplicated for each vendor.

a. **Primary Vendor**

The State expects to negotiate and contract with only one "prime vendor". The State will not accept any proposals that reflect an equal teaming arrangement or from vendors who are co-bidding on this RFP. The prime vendor will be responsible for the management of all subcontractors.

Any contract that may result from this RFP shall specify that the prime vendor is solely responsible for fulfillment of any contract with the State as a result of this procurement. The State will make contract payments only to the awarded vendor. Payments to any-subcontractors are the sole responsibility of the prime vendor.

Nothing in this section shall prohibit the State from the full exercise of its options under Section IV.B.16 regarding multiple source contracting.

b. **Sub-Contracting**

The vendor selected shall be solely responsible for contractual performance and management of all subcontract relationships. This contract allows subcontracting assignments; however, vendors assume all responsibility for work quality, delivery, installation, maintenance, and any supporting services required by a subcontractor.

Use of subcontractors must be clearly explained in the proposal, and major subcontractors must be identified by name. **The prime vendor shall be wholly responsible for the entire contract performance whether or not subcontractors are used.** Any sub-contractors must be approved by the State.

c. **Multiple Proposals**

A primary vendor may not participate in more than one proposal in any form. Sub-contracting vendors may participate in multiple joint venture proposals.

13. **Sub-Contracting**

   The vendor selected shall be solely responsible for contractual performance and management of all subcontract relationships. This contract allows subcontracting assignments; however, vendors assume all responsibility for work quality, delivery, installation, maintenance, and any supporting services required by a subcontractor.

   Use of subcontractors must be clearly explained in the proposal, and subcontractors must be identified by name. Any sub-contractors must be approved by the State.

14. **Discrepancies and Omissions**

   Vendor is fully responsible for the completeness and accuracy of their proposal, and for examining this RFP and all addenda. Failure to do so will be at the sole risk of vendor. Should vendor find discrepancies, omissions, unclear or ambiguous intent or meaning, or should any questions arise concerning this RFP, vendor shall notify the RFP Designated Contact, in writing, of such findings at least ten (10) days before the proposal opening. This will allow issuance of any necessary addenda. It will also help prevent the opening of a defective proposal and exposure of vendor's proposal upon which award could not be made. All unresolved issues should be addressed in the proposal.

   Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the RFP Designated Contact, in writing, no later than ten (10) calendar days prior to the time set for opening of the proposals.

   a. **RFP Question and Answer Process**

      The State will allow written requests for clarification of the RFP. All questions will be consolidated into a single set of responses and posted as necessary on the State's website at *http://treasury.delaware.gov/your-treasury/requests-for-proposals/*. <u>The deadline for submitting questions is the pre-bid teleconference, but vendors are encouraged to submit them prior to that if possible.</u> Vendors' names will be removed from questions in the responses released. Questions should be submitted in the following format. Deviations from this format will not be accepted.

      > Section and paragraph
      > Page number
      > Text of passage being questioned
      > Question

      Questions not submitted electronically shall be accompanied by a CD and questions shall be formatted in Microsoft Word 2003 or later.

15. **State's Right to Reject Proposals**

   The State reserves the right to accept or reject any or all proposals or any part of any proposal, to waive defects, technicalities or any specifications (whether they

be in the State's specifications or vendor's response), to sit and act as sole judge of the merit and qualifications of each product offered, or to solicit new proposals on the same project or on a modified project which may include portions of the originally proposed project as the State may deem necessary in the best interest of the State.

16. State's Right to Cancel Solicitation

The State reserves the right to cancel this solicitation at any time during the procurement process, for any reason or for no reason. The State makes no commitments expressed or implied, that this process will result in a business transaction with any vendor.

This RFP does not constitute an offer by the State. Vendor's participation in this process may result in the State selecting your organization to engage in further discussions and negotiations toward execution of a contract. The commencement of such negotiations does not, however, signify a commitment by the State to execute a contract nor to continue negotiations. The State may terminate negotiations at any time and for any reason, or for no reason.

17. State's Right to Award Multiple Source Contracting

Pursuant to 29 *Del. C*. § 6986, the State may award a contract for a particular professional service to two or more vendors if the agency head makes a determination that such an award is in the best interest of the State.

18. Notification of Withdrawal of Proposal

Vendor may modify or withdraw its proposal by written request, provided that both proposal and request is received by the State prior to the proposal due date. Proposals may be re-submitted in accordance with the proposal due date in order to be considered further.

Proposals become the property of the State at the proposal submission deadline. All proposals received are considered firm offers at that time.

19. Revisions to the RFP

If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State's website at *http://treasury.delaware.gov/your-treasury/requests-for-proposals/*. The State is not bound by any statement related to this RFP made by any State employee, vendor or its agents. By submitting an offer to the State, vendors have acknowledged receipt, understanding and commitment to comply with all materials, revisions, and addenda related to the RFP.

20. Exceptions to the RFP

Any exceptions to the RFP, or the State's terms and conditions, must be highlighted and included in writing in the proposal. Acceptance of exceptions is within the sole discretion of the Proposal Evaluation Team.

21. **Award of Contract**

The final award of a contract is subject to approval by the State. The State has the sole right to select the successful vendor(s) for award, to reject any proposal as unsatisfactory or non-responsive, to award a contract to other than the lowest priced proposal, to award multiple contracts, or not to award a contract, as a result of this RFP.

Notice in writing to a vendor of the acceptance of its proposal by the State and the subsequent full execution of a written contract will constitute a contract, and no vendor will acquire any legal or equitable rights or privileges until the occurrence of both such events.

   a. **RFP Award Notifications**

After reviews of the Proposal Evaluation Team's report and its recommendation, and once the contract terms and conditions have been finalized, the State will award the contract.

The contract shall be awarded to the vendor whose proposal is most advantageous, taking into consideration the evaluation factors set forth in the RFP.

It should be explicitly noted that the State is not obligated to award the contract to the vendor who submits the lowest bid of the vendor who receives the highest total point score, rather the contract will be awarded to the vendor whose proposal is the most advantageous to the State. The award is subject to the appropriate State approvals.

After a final selection is made, the winning vendor will be invited to negotiate a contract with the State; remaining vendors will be notified in writing of their selection status.

22. **Standard Practices**

With respect to work provided to or conducted for the State by a vendor, the vendor(s) shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all services furnished to the state. The vendor(s) shall follow practices consistent with generally accepted professional and technical policies and standards. The vendor(s) shall be responsible for ensuring that all services, products and deliverables furnished to the state are coordinated with the Department of Technology and Information (DTI) and are consistent with practices utilized by, or policies and standards promulgated by DTI published at http://dti.delaware.gov/information/standards-policies.shtml. If any service, product or deliverable furnished by a vendor(s) does not conform to State policies, standards or general practices, the vendor(s) shall, at its expense and option either (1) replace it with a conforming equivalent or (2) modify it to conform to State policies, standards or practices.

23. **Confidentiality and Data Integrity**

The Department of Technology and Information ("DTI") is responsible for safeguarding the confidentiality and integrity of data in State computer files regardless of the source of those data or medium on which they are stored; e.g., electronic data, computer output microfilm ("COM"), tape, or disk. Computer programs developed to process State Agency data will not be modified without the knowledge and written authorization of DTI. All data generated from the original source data, shall be the property of the State. The control of the disclosure of those data shall be retained by the State (including, DTI).

Vendor is required to agree to the requirements in the Confidentiality and Integrity of Data Agreement, Exhibit F of this RFP. Vendor employees, individually, may be required to sign the statement prior to beginning any work.

24. **Security**
Computer, network, and information security is of paramount concern for the State. The State wants to ensure that computer/network hardware and software does not compromise the security of its IT infrastructure. The vendor is guaranteeing that any systems or software provided by the vendor are free of the vulnerabilities.

25. **Cyber Security Liability**
It shall be the duty of the vendor to assure that all products of its effort do not cause, directly or indirectly, any unauthorized acquisition of data that compromises the security, confidentiality, or integrity of information maintained by the State. Vendor's agreement shall not limit or modify liability for information security breaches, and vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) arising out of such breaches. In addition to all rights and remedies available to it in law or in equity, the State shall subtract from any payment made to vendor all damages, costs and expenses caused by such information security breaches that have not been previously paid to Vendor.

26. **Information Security**
Multifunction peripherals must be hardened when used or connected to the network. They should be configured to harden the network protocols used, management services, processing services (print, copy, fax, and scan), logging, and physical security. Care shall be taken to ensure that any State non-public data is removed from memory before service calls and/or equipment disposal.

Electronic information storage devices (hard drives, tapes, diskettes, compact disks, USB, multifunction peripherals, etc.) shall be disposed of in a manner corresponding to the classification of the stored information, up to and including physical destruction.

C. RFP Evaluation Process

The Proposal Evaluation Team shall be comprised of representatives of the Treasury and will evaluate proposals on a variety of quantitative criteria. Neither the lowest price nor highest scoring proposal will necessarily be selected.

The State reserves full discretion to determine the competence and responsibility, professionally and/or financially, of vendors. Vendors are to provide in a timely manner any and all information that the State may deem necessary to make a decision.

1. Proposal Evaluation Team

The Proposal Evaluation Team shall determine which vendors meet the minimum requirements pursuant to selection criteria of the RFP and procedures established in 29 *Del. C*. §§ 6981 and 6982. The Proposal Evaluation Team may negotiate with one or more vendors during the same period and may, at its discretion, terminate negotiations with any or all vendors. The Proposal Evaluation Team shall make a recommendation and the Treasury has final authority, subject to the provisions of this RFP, to award a contract to the successful vendor in the best interests of the State.

2. Proposal Selection Criteria

The Proposal Evaluation Team shall assign up to the maximum number of points for each evaluation function to each of the proposing vendor's proposals. All assignments of points shall be at the sole discretion of the Proposal Evaluation Team.

The proposals all contain the essential information on which the award decision shall be made. The information required to be submitted in response to this RFP has been determined by the State to be essential for use by the Proposal Evaluation Team in the bid evaluation and award process. Therefore, all instructions contained in this RFP shall be met in order to qualify as a responsive and responsible vendor and participate in the Proposal Evaluation Team's consideration for award. Proposals which do not meet or comply with the instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the Proposal Evaluation Team.

The Proposal Evaluation Team reserves the right to:
- Select for contract or for negotiations a proposal other than that with lowest costs.
- Reject any and all proposals or portions of proposals received in response to this RFP or to make no award or issue a new RFP.
- Waive or modify any information, irregularity, or inconsistency in proposals received.
- Request modification to proposals from any or all vendors during the contract review and negotiation.
- Negotiate any aspect of the proposal with any vendor and negotiate with more than one vendor at the same time.

The Treasury reserves the right to reject any or all bids in whole or in part, to make multiple awards, partial awards, award by types, item by item, or lump sum total, whichever may be most advantageous to the State.

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be used by the Proposal Evaluation Team to evaluate proposals:

FUNCTION	%
Pricing	40
Dedicated Government Group	20
Quality Assurance	20
RFP Response	10
Disaster Recovery Plan	10

3.   Proposal Clarification

The Proposal Evaluation Team may contact any vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Proposals may not be modified as a result of any such clarification request.

4.   References

The Proposal Evaluation Team may contact any customer of the vendor, whether or not included in the vendor's reference list, and use such information in the evaluation process. Additionally, the State may choose to visit existing installations of comparable systems, which may or may not include vendor personnel. If the vendor is involved in such site visits, the State will pay travel costs only for State personnel for these visits.

5.   Oral Presentations

Selected vendors may be invited to make oral presentations to the Proposal Evaluation Team. The vendor representative(s) attending the oral presentation shall be technically qualified to respond to questions related to the proposed system and its components.

All of the vendor's costs associated with participation in oral discussions and system demonstrations conducted for the State are the vendor's responsibility.

D.   Contract Terms and Conditions

1.   General Information

a. The term of the contract between the successful bidder and the State shall be for four (4) years, with an additional three (3) one (1) year extensions available at the discretion of the State with 90 days notice.

b. The selected vendor will be required to enter into a written agreement with the State. The State reserves the right to incorporate standard State contractual provisions into any contract negotiated as a result of a proposal submitted in response to this RFP. Any proposed modifications to the terms and conditions of the standard contract are subject to review and approval by the State. Vendors will be required to sign the contract for all services, and may be required to sign additional agreements.

c. The selected vendor or vendors will be expected to enter negotiations with the State, which will result in a formal contract between parties. Procurement will be in accordance with subsequent contracted agreement. This RFP and the selected vendor's response to this RFP will be incorporated as part of any formal contract.

d. The State's standard contract will most likely be supplemented with the vendor's software license, support/maintenance, source code escrow agreements, and any other applicable agreements. The terms and conditions of these agreements will be negotiated with the finalist during actual contract negotiations.

e. The successful vendor shall promptly execute a contract incorporating the terms of this RFP. No vendor is to begin any service prior to receipt a State purchase order signed by two authorized representatives of the agency requesting service, properly processed through the State Accounting Office and the Department of Finance. The purchase order shall serve as the authorization to proceed in accordance with the bid specifications and the special instructions, once it is received by the successful vendor.

f. If the vendor to whom the award is made fails to enter into the agreement as herein provided, the award will be annulled, and an award may be made to another vendor. Such vendor shall fulfill every stipulation embraced herein as if they were the party to whom the first award was made.

2. **Collusion or Fraud**

Any evidence of agreement or collusion among vendor(s) and prospective vendor(s) acting to illegally restrain freedom from competition by agreement to offer a fixed price, or otherwise, will render the offers of such vendor(s) void.

By responding, the vendor shall be deemed to have represented and warranted that its proposal is not made in connection with any competing vendor submitting a separate response to this RFP, and is in all respects fair and without collusion or fraud; that the vendor did not participate in the RFP development process and had no knowledge of the specific contents of the RFP prior to its issuance; and that no employee or official of the State participated directly or indirectly in the vendor's proposal preparation.

Advance knowledge of information which gives any particular vendor advantages over any other interested vendor(s), in advance of the opening of proposals, whether in response to advertising or an employee or representative thereof, will potentially void that particular proposal.

3. **Lobbying and Gratuities**

Lobbying or providing gratuities shall be strictly prohibited. Vendors found to be lobbying, providing gratuities to, or in any way attempting to influence a State employee or agent of the State concerning this RFP or the award of a contract resulting from this RFP shall have their proposal immediately rejected and shall be barred from further participation in this RFP.

The selected vendor will warrant that no person or selling agency has been employed or retained to solicit or secure a contract resulting from this RFP upon agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, the State shall have the right to annul any contract resulting from this RFP without liability or at its discretion deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

All contact with State employees, vendors or agents of the State concerning this RFP shall be conducted in strict accordance with the manner, forum and conditions set forth in this RFP.

4. **Solicitation of Treasury Employees**

Until contract award, vendors shall not, directly or indirectly, solicit any employee of the Treasury to leave the Treasury's employ in order to accept employment with the vendor, its affiliates, actual or prospective vendors, or any person acting in concert with vendor, without prior written approval of the Treasury's contracting officer. Solicitation of Treasury employees by a vendor may result in rejection of the vendor's proposal.

This paragraph does not prevent the employment by a vendor of a Treasury employee who has initiated contact with the vendor. However, Treasury employees may be legally prohibited from accepting employment with the vendor or subcontractor under certain circumstances. Vendors may not knowingly employ a person who cannot legally accept employment under state or federal law. If a vendor discovers that they have done so, they must terminate that employment immediately.

5. **General Contract Terms**

   a. **Independent contractors**

   The parties to the contract shall be independent contractors to one another, and nothing herein shall be deemed to cause this agreement to create an agency, partnership, joint venture or employment relationship between parties. Each party shall be responsible for compliance with all applicable workers compensation, unemployment, disability insurance, social security withholding and all other similar matters. Neither party shall be liable for any debts, accounts, obligations or other liability whatsoever of the other party, or any other obligation of the other party to pay on the behalf of its employees or to withhold from any compensation paid to such employees any social benefits, workers compensation insurance premiums or any income or other similar taxes.

It may be at the State's discretion as to the location of work for the contractual support personnel during the project period. The State shall provide working space and sufficient supplies and material to augment the vendor's services.

b. **Non-Appropriation**

In the event the General Assembly fails to appropriate the specific funds necessary to enter into or continue the contractual agreement, in whole or part, the agreement shall be terminated as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds.

c. **Licenses and Permits**

In performance of the contract, the vendor will be required to comply with all applicable federal, state and local laws, ordinances, codes, and regulations. The cost of permits and other relevant costs required in the performance of the contract shall be borne by the successful vendor. The vendor shall be properly licensed and authorized to transact business in the State as provided in 30 *Del. C.* § 2502.

Prior to receiving an award, the successful vendor shall either furnish the State with proof of a State Business License or initiate the process of application where required. An application may be requested in writing to: Division of Revenue, Carvel State Building, P.O. Box 8750, 820 N. French Street, Wilmington, DE 19899 or by telephone to one of the following numbers: (302) 577-8200—Public Service, (302) 577-8205—Licensing Department.

Information regarding the award of the contract will be given to the Division of Revenue. Failure to comply with the State licensing requirements may subject vendor to applicable fines and/or interest penalties.

d. **Notice**

Any notice to the State required under the contract shall be sent by registered mail to:

Banking Services Manager James DiDonato
Delaware State Treasury
820 Silver Lake Blvd, Suite 100
Dover DE 19904

e. **Indemnification**

1. **General Indemnification.**
By submitting a proposal, the proposing vendor agrees that in the event it is awarded a contract, it will indemnify and otherwise hold harmless the State, its agents and employees from any and all liability, suits, actions, or claims, together with all costs, expenses for attorney's fees, arising out of the vendor's its agents and employees' performance work or services

in connection with the contract, regardless of whether such suits, actions, claims or liabilities are based upon acts or failures to act attributable, solely or in part, to the State, its employees or agents.

2. **Proprietary Rights Indemnification**

Vendor shall warrant that all elements of its solution, including all equipment, software, documentation, services and deliverables, do not and will not infringe upon or violate any patent, copyright, trade secret or other proprietary rights of any third party. In the event of any claim, suit or action by any third party against the State, the State shall promptly notify the vendor in writing and vendor shall defend such claim, suit or action at vendor's expense, and vendor shall indemnify the State against any loss, cost, damage, expense or liability arising out of such claim, suit or action (including, without limitation, litigation costs, lost employee time, and counsel fees) whether or not such claim, suit or action is successful.

If any equipment, software, services (including methods) products or other intellectual property used or furnished by the vendor (collectively ""Products") is or in vendor's reasonable judgment is likely to be, held to constitute an infringing product, vendor shall at its expense and option either:

(a) Procure the right for the State to continue using the Product(s);

(b) Replace the Product with a non-infringing equivalent that satisfies all the requirements of the contract; or

(c) Modify the Product(s) to make it or them non-infringing, provided that the modification does not materially alter the functionality or efficacy of the product or cause the Product(s) or any part of the work to fail to conform to the requirements of the contract, or only alters the Product(s) to a degree that the State agrees to and accepts in writing.

f. **Insurance**

1. Vendor recognizes that it is operating as an independent contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the vendor's negligent performance under this contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the vendor in their negligent performance under this contract.

2. The vendor shall maintain such insurance as will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. The vendor is an independent contractor and is not an employee of the State.

3. During the term of this contract, the vendor shall, at its own expense, carry insurance minimum limits as follows:

a.	Commercial General Liability	$1,000,000/$3,000,000
b.	Professional Liability or Misc. Error & Omissions or Product Liability	$1,000,000/$3,000,000

If the contractual service requires the transportation of departmental clients or staff, the vendor shall, in addition to the above coverages, secure at its own expense the following coverage:

a.	Automotive Liability (Bodily Injury)	$100,000/$300,000
b.	Automotive Property Damage (to others)	$ 25,000

4. The vendor shall provide a certificate of insurance as proof that the vendor has the required insurance.

g.   Performance Requirements

The selected vendor will warrant that its possesses, or has arranged through subcontractors, all capital and other equipment, labor, materials, and licenses necessary to carry out and complete the work hereunder in compliance with any and all federal and state laws, and county and local ordinances, regulations and codes.

h. **Warranty**

The vendor will provide a warranty that the deliverables provided pursuant to the contract will function as designed for a period of no less than one (1) year from the date of system acceptance. The warranty shall require the vendor correct, at its own expense, the setup, configuration, customizations or modifications so that it functions according to the State's requirements.

i. **Costs and Payment Schedules**

All contract costs must be as detailed specifically in the vendor's cost proposal. No charges other than as specified in the proposal shall be allowed without written consent of the State. The proposal costs shall include full compensation for all taxes that the selected vendor is required to pay.

The State will require a payment schedule based on defined and measurable milestones. Payments for services will not be made in advance of work performed. The State may require holdback of contract monies until acceptable performance is demonstrated (as much as 25%).

j. **Penalties**

The State may include in the final contract penalty provisions for non-performance, such as liquidated damages.

k. **Termination for Cause.**

If for any reasons, or through any cause, the vendor fails to fulfil in timely and proper manner his obligations under the contract, or if the vendor violates any of the covenants, agreements or stipulations of the contract, the State shall thereupon have the right to terminate the contract by giving written notice to the vendor of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination, In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports or other material prepared by the Vendor under the contract shall, at the option of the State, become its property, and the vendor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials which is useable to the State.

l. **Termination for Convenience**

The State may terminate the contract at any time by giving written notice of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports or other material prepared by the vendor under the

contract shall, at the option of the State, become its property, and the vendor shall be entitled to compensation for any satisfactory work completed on such documents and other materials which is useable to the State. If the contract is terminated by the State as so provided, the vendor will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the vendor as covered by the contract, less payments of compensation previously made. Provided however, that if less than 60 percent of the services covered by the contract have been performed upon the effective date of termination, the vendor shall be reimbursed (in addition to the above payment) for that portion of actual out of pocket expenses (not otherwise reimbursed under the contract) incurred by the vendor during the contract period which are directly attributable to the uncompleted portion of the services covered by the contract.

m. **Non-discrimination**

In performing the services subject to this RFP, the vendor will agree that it will not discriminate against any employee or applicant for employment because of race, creed, color, sex or national origin. The successful vendor shall comply with all federal and state laws, regulations and policies pertaining to the prevention of discriminatory employment practice. Failure to perform under this provision constitutes a material breach of contract.

n. **Covenant against Contingent Fees**

The successful vendor will warrant that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement of understanding for a commission or percentage, brokerage or contingent fee excepting bona-fide employees, bona-fide established commercial or selling agencies maintained by the vendor for the purpose of securing business. For breach or violation of this warranty the State shall have the right to annul the contract without liability or at its discretion to deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

o. **Vendor Activity**

No activity is to be executed in an off shore facility, either by a subcontracted firm or a foreign office or division of the vendor. The vendor must attest to the fact that no activity will take place outside of the United States in its transmittal letter. Failure to adhere to this requirement is cause for elimination from future consideration.

p. **Work Product**
All materials and products developed under the executed contract by the vendor are the sole and exclusive property of the State. The vendor will seek written permission to use any product created under the contract.

p. **Contract Documents**
The RFP, the purchase order, the executed contract and any supplemental documents between the State and the successful vendor shall constitute the

contract between the State and the vendor. In the event there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter: contract, the RFP, vendor's response to the RFP and purchase order. No other documents shall be considered. These documents will constitute the entire agreement between the State and the vendor.

q.   **Applicable Law**

The laws of the State shall apply, except where federal law has precedence. The successful vendor consents to jurisdiction and venue in the State.

In submitting a proposal, vendors certify that they comply with all federal, state and local laws applicable to its activities and obligations including:

(1)   the laws of the State;
(2)   the applicable portion of the Federal Civil Rights Act of 1964;
(3)   the Equal Employment Opportunity Act and the regulations issued there under by the federal government;
(4)   a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
(5)   that programs, services, and activities provided to the general public under resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued there under by the federal government.

If any vendor fails to comply with (1) through (5) of this paragraph, the State reserves the right to disregard the proposal, terminate the contract, or consider the vendor in default.

The selected vendor shall keep itself fully informed of and shall observe and comply with all applicable existing federal and state laws, and county and local ordinances, regulations and codes, and those laws, ordinances, regulations, and codes adopted during its performance of the work.

r.   **Scope of Agreement**

If the scope of any provision of the contract is determined to be too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the contract shall not thereby fail, but the scope of such provisions shall be curtailed only to the extent necessary to conform to the law.

s.   **Other General Conditions**

(1)   **Current Version** – "Packaged" application and system software shall be the most current version generally available as of the date of the physical installation of the software.

(2) Current Manufacture – Equipment specified and/or furnished under this specification shall be standard products of manufacturers regularly engaged in the production of such equipment and shall be the manufacturer's latest design. All material and equipment offered shall be new and unused.

(3) Volumes and Quantities – Activity volume estimates and other quantities have been reviewed for accuracy; however, they may be subject to change prior or subsequent to award of the contract.

(4) Prior Use – The State reserves the right to use equipment and material furnished under this proposal prior to final acceptance. Such use shall not constitute acceptance of the work or any part thereof by the State.

(5) Status Reporting – The selected vendor will be required to lead and/or participate in status meetings and submit status reports covering such items as progress of work being performed, milestones attained, resources expended, problems encountered and corrective action taken, until final system acceptance.

(6) Regulations – All equipment, software and services must meet all applicable local, State and federal regulations in effect on the date of the contract.

(7) Changes – No alterations in any terms, conditions, delivery, price, quality, or specifications of items ordered will be effective without the written consent of the State.

(8) Additional Terms and Conditions – The State reserves the right to add terms and conditions during the contract negotiations.

E. RFP Miscellaneous Information

1. No Press Releases or Public Disclosure

Vendors may not release any information about this RFP. The State reserves the right to pre-approve any news or advertising releases concerning this RFP, the resulting contract, the work performed, or any reference to the State with regard to any project or contract performance. Any such news or advertising releases pertaining to this RFP or resulting contract shall require the prior express written permission of the State.

2. RFP Reference Library

The State has made every attempt to provide the necessary information within this RFP. The State will make the reference library available only to the winning bidder.

3. Definitions of Requirements

To prevent any confusion about identifying requirements in this RFP, the following definition is offered: The words *shall*, *will* and/or *must* are used to designate a mandatory requirement. Vendors must respond to all mandatory requirements presented

in the RFP. Failure to respond to a mandatory requirement may cause the disqualification of your proposal.

4.   **Production Environment Requirements**

The State requires that all hardware, system software products, and application software products included in proposals be currently in use in a production environment by a least three (3) other customers, have been in use for at least six (6) months, and have been generally available from the manufacturers for a period of six (6) months. Unreleased or beta test hardware, system software, or application software will not be acceptable.

F.   Supplier Diversity

The Treasury is committed to supporting diversity. As such, the Treasury supports initiatives undertaken by firms that promote and support diversity in the provision of services. The Treasury encourages any selected firm(s) to promote and support diversity when staffing projects undertaken on its behalf.

EXHIBIT A
PROPOSAL CHECKLIST AND FORMAT GUIDE

The vendor's proposal must contain the following information, which should be formatted and organized as described below:

- Tab A: Completed Section II – Scope of Services *(Responses inserted after each requirement)*

- Tab B: Services bid form – completed and signed. *(Exhibits B and C)*

- Tab C: Key contact information, including:
    - ✓   Relationship officer, key cash management officers and conversion team officers.
    - ✓   Key bank addresses, telephone and fax numbers, and email addresses.

- Tab D: Completed questionnaire *(Exhibit D)*

- Tab E: References

- Tab F: DTI Confidentiality and Integrity Agreement – completed and signed *(Exhibit F)*

- Tab G: Narrative *(This is an unstructured description of how the vendor intends to meet the State's SVC program needs. This may summarize information presented elsewhere in the proposal, or it may be used to present new information that does not readily fit into another section. It may also include charts and graphs.)*

EXHIBIT B
STATE FEES

SERVICE	FEE
ACH transfers – Incoming	
Wire transfers – Incoming	
Monthly maintenance – per card program	
Information Reporting – online	
Information Reporting – monthly hardcopy statements	
Data file transfers to agencies – per transfer	

Note: The fee column is intentionally large to allow the vendor to annotate a complex fee structure. Where fee cannot be stated in the space provided, refer to a separate sheet. If the service exists and there is no fee to the State, please state "zero" or "none." If the service does not exist, please state "not applicable," and, if necessary, explain on a separate sheet.

As an authorized representative of my organization, I affirm that we have the resources to fully meet the State's requirements as described in this RFP, that the information provided in our proposal is true and accurate, and that the pricing provided in this exhibit will be in effect through the term of the contract that results from this RFP.

_____
VENDOR NAME

_____   _____
AUTHORIZED REPRESENTATIVE NAME   TITLE

_____   _____
SIGNATURE   DATE

EXHIBIT C
CARDHOLDER FEES BID FORM

SERVICE	FEE
Purchase Transaction (signature or PIN)	
Purchase Transaction with Cash Back	
Purchase Denial	
Withdrawal – Live Teller	
Withdrawal – ATM In Network	
Withdrawal – ATM Non-Network	
ATM Denial – In Network	
ATM Denial – Non-Network	
ATM Balance Inquiry – In Network	
ATM Balance Inquiry – Non-Network	
Telephone Query – IVR	
Telephone Query – Live Agent	
Website Inquiry	
Cardholder Alert	
Inactivity Fee	
Maintenance Fee (per month)	
Load Fee	
Lost / Stolen Card Replacement – Standard	
Lost / Stolen Card Replacement – Expedited	
Overdraft Fee	

Note 1: The fee column is intentionally large to allow the vendor to annotate a complex fee structure. For example: 5 free per month, then $1.00. Where fee cannot be stated in the space provided, refer to a separate sheet.
Note 2: If it is necessary to complete multiple Cardholder Pricing Bid Forms (because pricing will vary among programs), then duplicate and label this form as necessary.

As an authorized representative of my organization, I affirm that we have the resources to fully meet the State's requirements as described in this RFP, that the information provided in our proposal is true and accurate, and that the pricing provided in this exhibit will be in effect through the term of the contract that results from this RFP.

_____
VENDOR NAME

_____   _____
AUTHORIZED REPRESENTATIVE NAME   TITLE

_____   _____
SIGNATURE   DATE

EXHIBIT D
QUESTIONNAIRE

This questionnaire comprises its own section of your proposal. Please respond in the same order as the questions are presented here, and relate your responses to the SVC program whenever possible. It is mandatory that all questions – including those with multiple parts – be answered thoroughly. For your convenience, this questionnaire is available also in MS Word format on the Delaware State Treasury website at *http://treasury.delaware.gov/your-treasury/requests-for-proposals/*.

1.   With what bank(s) do you have an alliance? Please describe your network alliance, including:

- Number of ATMs considered "in network"
- Number of bank branches considered "in network"

2.   For what other governments do you now provide SVC program services? Please provide contact information for no more than three government references and briefly describe your relationships.

3.   The State may be interested in having its Women, Infant and Children Program ("WIC"), also called Special Supplemental Nutrition Program, participate in this SVC program. Describe your experience with WIC in other states, including whether or not a special type of card is required.

4.   Provide a brief overview and history of your company, including:

- Mergers and/or acquisitions within the past five (5) years, and those planned for the future.
- Current and planned subcontracting and alliances.
- Geographic footprint of your branch/ATM network, as well as your processing sites, as it would impact the State's relationship.
- Commitment to data security.
- Recent (past five (5) years) and pending litigation regarding SVC programs.

5.   Please submit your company's most recent annual report. *This may be provided as a separate document outside the binder that contains the rest of the proposal.*

6.   Describe the timeframe and key checkpoints in the implementation process. Assuming various agencies would be ready to proceed, would you attempt to concurrently implement SVC services for multiple programs, or would you do so in an individual and sequential manner.

7.   Describe your method of collecting fees from the recipient for contracted services. What is the process for having the cardholder dispute fees? Is that process explained in the user guide that accompanies the card when it's issued to the recipient?

8.   If fees are assessed to the State:

- Will your billing cycle be on a calendar month?
- Will you accept a credit card (purchasing card) for payment?
- Do you offer special discounts?
- Will you invoice on a quarterly basis? If not, what is the frequency?
- What supporting documents will accompany the invoice?

9.   Data security is of paramount concern to the State. Please describe how your systems and procedures would safeguard the data entrusted to you, including:

- Overall data management philosophy
- Tests and metrics used to measure data security
- Data auditing procedures
- Passwords and encryptions
- Warehousing capabilities and procedures
- System capacity versus the State's workload
- Internet security

10.   For the cardholder, what are the location and hours of your primary live operator call-in support center? Your secondary support center? Do you offer multi-lingual live operator support? Email and fax?

11.   For State agencies, what are the location and operating hours of your support center where personnel would call for assistance with routine matters? For escalated issues?

12.   What are your file transmission capabilities (both sending and receiving)?   For receiving State files, what file transmission method do you recommend? Explain.

13.   Using unemployment benefits as an example, describe the typical lifecycle of SVC – from enrolling the new benefit recipient to closing out the card when benefit payments have ceased. Please include a timeline of key activities or events.   *You may use flow charts and other graphics as necessary.*

14.   How many SVCs did you issue to government entities in CY2011?

15.   What new capabilities and enhancements will be introduced in the next two years?

16.   Explain any outsourcing or subcontracting that will be necessary with your State relationship. With any such relationship, how will you ensure high quality standards?

17.   For your company, please provide:

- Complete legal name
- Address of the headquarters
- Address of primary operations center (if different)
- Tax ID Number (TIN)

18.   Late or missing payments could be devastating to cardholders and, in the context of confidence in state government, to the public at large. Please fully explain how your Disaster Recovery Plan or Continuity of Operations Plan will ensure that this will never happen.

19.   Does a single SVC support multiple programs? That is, can unemployment benefits, TANF, general assistance (welfare) and foster card payments all be loaded concurrently to the same card? What are the exceptions or limitations, if any?

20.   What sets apart your company from the competition?

21.   Identify ways that you support your organizational clients (like State agencies), including:

- User forums (that include clients from various industries and governments)
- Periodic live (in-person) workshops
- Newsletters

22.   How many hours does it take for a SVC to be loaded once you receive a file from the State? (If the timing varies according to the program, please specify.) Can that timing be verified by the governments you listed as references? *The State's minimum requirement, as found in Section II-B-8, is eight hours, and it is assumed that it is possible to exceed that standard (load cards faster).*

23.   For DHSS programs (General Assistance and TANF), the exact type and frequency of vendor reports depends on the requirements imposed by the federal agencies (Department of Health and Human Services, and Administration on Families and Children) overseeing these programs. What experience do you have providing these reports for other governments? *You may optionally provide examples of reports at the end of your proposal and then reference them in your response here.*

24.   Do you have the ability to offer clients a choice of card brands? If so, please specify which brands – Visa, MasterCard, Discover or American Express.

25.   Will you provide assurance to the State of Delaware that you will help transition to a new provider in the event your company loses the contract as a result of either contract termination or termination for cause?

26.   Please comment on your organization's financial strength. Provide your most recent rating issued by an independent agency that rates your industry.

EXHIBIT E
STATE PROGRAM DESCRIPTIONS

The following is a synopsis of each State program that has been identified as a strong candidate to participate in the SVC relationship.

Unemployment Benefits

For 76 years the Unemployment Insurance (UI) program has been one of the nation's most important social insurance programs. This program provides prompt, partial wage replacement to unemployed workers through the payment of unemployment insurance benefits. While unemployment insurance benefits are claimed on a weekly basis, payments are processed and issued on a daily basis to recipients. Payment options currently available to benefit recipients are paper check and ACH Direct Deposit. With the addition of debit cards, paper checks will be phased out and only Direct Deposit and debit card will be the payment options offered to benefit recipients. The UI program also serves the business community during periods of economic downturn by pumping Unemployment Insurance Trust Fund reserves into the economy. An average of approximately 51,000 unemployed Delawareans collected unemployment benefits annually over the past three fiscal years. During this three-year period, $478.8 million in regular state UI benefits were paid, an average of $159.6 million per year.

Foster and Adoptive Parent

The Department of Services for Children, Youth and Their Families (the "Department") provides foster and adoptive children room, board and clothing allowances. These are paid to their foster and adoptive parents in the form of monthly reimbursements and stipends. Even though the option for direct deposits is available, many of these parents receive paper checks. The Department is always interested in improving its relationship with all of our foster and adoptive care providers. The introduction of the SVC program, along with the phase-out of paper checks, will assure all providers receive their funds in a timely manner. This change will be a noteworthy element in the continuing process of encouraging Delaware families to open their homes to our foster children.

General Assistance and Temporary Assistance to Needy Families (Welfare)

The Division of Social Services ("DSS"), an agency of the Department of Health and Social Services, provides cash assistance to both families and individuals. These are two distinct but similar programs that are funded by both state and federal dollars. Temporary Assistance to Needy Families ("TANF") provides a cash benefit to very low income/ needy families with children whose parents/caretakers are unemployed or underemployed. To receive these benefits the employable parent/caretaker must sign a contract with DSS and agree to participate in employment and training activities to find employment. In addition all parents/caretakers must agree to attend parenting classes, assure their children are immunized and attend school. DSS issues approximately 5,600 checks per month in various amounts depending on family size and incomes. In addition, DSS issues approximately, 1150 checks daily throughout the month to new clients who have just been approved to receive cash benefits. Finally, DSS periodically issues "supplemental" payments to clients in addition to the ongoing monthly benefit. These supplemental TANF benefits are in varying amounts and numbers each month depending on other income received by the family.

DSS provides General Assistance cash to adults who do not qualify for federally funded programs such as TANF or Supplemental Security Income Benefits. These adults are unable to work due to

incapacity, illness or age. DSS issues approximately 4,000 checks per month and 833 daily checks to new beneficiaries throughout the month.

Inmate Release

The Department of Correction releases offenders on a daily basis. Offenders are provided the balance of their inmate account or "gate money" upon release to ensure adequate funds are available for bus fare, food, clothing and basic necessities required for re-entry into the community. A large majority of the offenders do not have current identification at the time of release and cashing a check at a financial institution is difficult. Distributing an SVC to the offender in place of a check allows the offender convenient access to the funds.

In addition, the following programs have the potential to participate in this SVC relationship at some point in the future. Their participation should not be a factor in submitting a proposal, but this information is provided for future reference.

Child Support Enforcement

The federal Child Support Enforcement ("CSE") Program was established in 1975 as Title IV-D of the Social Security Act. CSE programs locate noncustodial parents, establish paternity, establish and enforce support orders, modify orders when appropriate, and collect and distribute child support payments. While most child support orders are established for a monthly amount, payments are distributed and disbursed within two business days of payment receipt. Since April 2011, the State has mandated the receipt of child support benefits in electronic form. Current payment options are direct deposit and the First State Family Card, a MasterCard® branded SVC. The contract for that SVC program expires December 31, 2012. Paper checks continue to be used on a limited basis – during the direct deposit pre-note period and on an on-going basis to certain exempted claimants.

In calendar year 2011, there were 166,272 items disbursed for a total of $19,053,180 – averaging 15,479 items and $1,481,693 per month. However, the electronic mandate went into effect in April 2011, and the number of items disbursed, as well as the total dollar amount, continues to increase each month. January of 2012 totals are 21,063 items for $1,943,956 disbursed, well above that average.

Program Payments Disbursed by Treasury

The Delaware State Treasury is the check-disbursing agent for several State programs. While most current employees and retirees receive their payroll and pension payments via Direct Deposit, Treasury works with the State Pension Office and PHRST/Payroll to make some payments by check. Similarly, Treasury issues tax refund checks on behalf of the Division of Revenue for those recipients not enrolled in Direct Deposit. The foster care and adoptive care program, managed by the Department of Services for Children, Youth and Their Families (Kids), likewise sends payment files to Treasury so that checks can be printed and mailed to recipients. State vendors are continually enrolled in Direct Deposit, yet there has always been a need to issue some vendor payments via check.

EXHIBIT F
Contractor Confidentiality (Non-Disclosure) and Integrity of Data Agreement

The Department of Technology and Information ("DTI") is responsible for safeguarding the confidentiality and integrity of data in State computer files regardless of the source of those data or medium on which they are stored; e.g., electronic data, computer output microfilm ("COM"), tape, or disk. Computer programs developed to process State Agency data will not be modified without the knowledge and written authorization of DTI. All data generated from the original source data, shall be the property of the State. The control of the disclosure of those data shall be retained by the State and the DTI.

I/we, as an employee(s) of _____ or officer of my firm, when performing work for DTI, understand that I/we act as an extension of DTI and therefore I/we are responsible for safeguarding the States' data and computer files as indicated above. I/we will not use, disclose, or modify State data or State computer files without the written knowledge and written authorization of DTI. Furthermore, I/we understand that I/we are to take all necessary precautions to prevent unauthorized use, disclosure, or modification of State computer files, and I/we should alert my immediate supervisor of any situation which might result in, or create the appearance of, unauthorized use, disclosure or modification of State data. Penalty for unauthorized use, unauthorized modification of data files, or disclosure of any confidential information may mean the loss of my position and benefits, and prosecution under applicable State or federal law.

This statement applies to the undersigned vendor and to any others working under the vendor's direction.

I, the Undersigned, hereby affirm that I have read DTI's Policy on Confidentiality (Non-Disclosure) and Integrity of Data and understood the terms of the above Confidentiality (Non-Disclosure) and Integrity of Data Agreement, and that I/we agree to abide by the terms above.

_____
VENDOR NAME

_____   _____
AUTHORIZED REPRESENTATIVE NAME   TITLE

_____   _____
SIGNATURE   DATE

EXHIBIT G
NARRATIVE

Please use this exhibit to describe your plan to address the State's SVC program needs. You may address topics and issues here that are not covered elsewhere in this RFP, and you may use any combination of text, graphs and charts as you deem necessary.

EXHIBIT H
CLOUD COMPUTING TERMS AND CONDITIONS

As of May 17, 2011

No.	Doc	Item
1	T&C	Ownership of Information The State shall own all right, title and interest in its data that is related to the services provided by this contract.
2	T&C	Privacy of Information Protection of personal privacy must be an integral part of the business activities of the Service Provider to ensure that there is no inappropriate use of State information at any time. To this end, the Service Provider shall comply with the following conditions: Personal information obtained by the Service Provider will become and remain property of the State. At no time will any information, belonging to or intended for the State, be copied, disclosed, or retained by the Service Provider or any party related to the Service Provider for subsequent use in any transaction that does not include the State. The Service Provider may not use any personal information collected in connection with the service issued from this proposal for any purpose other than fulfilling the service.
3	T&C	When requested by the State, the provider must destroy all requested data in all of its forms, disk, CD / DVD, tape, paper, for examples. Data shall be destroyed according to National Institute of Standards and Technology (NIST) approved methods and certificates of destruction must be provided to the State.
4	T&C	The Service Provider shall not store or transfer State data outside of the United States.
5	T&C	The Service Provider must inform the State of any security breach or detection of any suspicious intrusion that is or has occurred that jeopardizes the State data or processes. This notice must be given to the State within 24 hours of its discovery. Full disclosure of the assets that might have been jeopardized must be made. In addition, the Service Provider must inform the State of the actions it is taking or will take to reduce the risk of further loss to the State. If the breach requires public notification, all communication shall be coordinated with the State.
6	T&C	The Service Provider must encrypt all non-public data in transit to the cloud. In addition, the Service Provider will comply with the ISO/IEC 27001 standard for information security management systems, providing evidence of their certification or pursuit of certification.
7	T&C	The Service Provider shall disclose to the State a description of their roles and responsibilities related to electronic discovery, litigation holds, discovery searches, and expert testimonies. The provider shall disclose its process for responding to subpoenas, service of process, and other legal requests.
8	T&C	In the event of termination of the contract, the Service Provider shall implement an orderly return of State assets and the subsequent secure disposal of State assets. **Suspension of services:** During any period of suspension, the Service Provider will not take any action to intentionally erase any State Data. **Termination of any services or agreement in entirety:** In the event of termination of any services or agreement in entirety, the Service Provider will not take any action to intentionally erase any State Data for a period of 90 days after the effective date of the termination. After such 90 day period, the Service Provider shall have no obligation to maintain or provide any State Data and shall thereafter, unless legally prohibited, delete all State Data in its systems or otherwise in its possession or under its control. **Post-Termination Assistance:** The State shall be entitled to any post-termination assistance generally made available with respect to the Services unless a unique data retrieval arrangement has been established as part of the Service Level Agreement.

9	T&C	The Service Provider shall: 1. Ensure that State information is protected with reasonable security measures, 2. Promote and maintain among the Service Provider's employees and agents an awareness of the security needs of the State's information, 3. Safeguard the confidentiality, integrity, and availability of State information, 4. Ensure that appropriate security measures are put in place to protect the Service Provider's internal systems from intrusions and other attacks.
10	T&C	The Service Provider shall not utilize any staff (including sub-contractors) to fulfill the obligations of the contract who has been convicted of a felony or class A misdemeanor.
11	T&C	The Service Provider will make the State's data and processes available to third parties only with the express written permission of the State.
12	T&C	The Service Provider will not access State User accounts, or State Data, except (i) in the course of data center operations, (ii) response to service or technical issues or (iii) at State's written request.
		SOW
1	SOW	The Service Provider must allow the State access to system logs, latency statistics, etc. that affect its data and or processes.
2	SOW	The Service Provider must allow the State to audit conformance to the contract terms and test for vulnerabilities. The State may perform this audit or contract with a third party at its discretion.
3	SOW	Advance notice (to be determined at contract time) must be given to the State of any major upgrades or system changes that the Service Provider will be performing. The State reserves the right to defer these changes if desired.
4	SOW	The Service Provider shall disclose its security processes and technical limitations to the State such that adequate protection and flexibility can be attained between the State's and the Service Provider. An example might be virus checking and port sniffing – the State and the Service Provider must understand each other's roles and responsibilities.
5	SOW	The Service Provider will cover the costs of response and recovery from a data breach. The State will expect to recover all breach costs from the provider.
6	SOW	The State will provide requirements to Service Provider for encryption of the data at rest
7	SOW	The Service Provider shall have robust compartmentalization of job duties, perform background checks, require/enforce non-disclosure agreements, and limit staff knowledge of customer data to that which is absolutely needed to perform job duties.
8	SOW	The Service Provider will provide documentation of internal and external security controls, and their compliance level to industry standards.
9	SOW	The State and the provider shall identify a collaborative governance structure as part of the design and development of service delivery and service agreements.
10	SOW	The State must have the ability to import or export data in piecemeal or in its entirety at its discretion without interference from the Service Provider.
11	SOW	The Service Provider will be responsible for the acquisition and operation of all hardware, software and network support related to the services being provided. The technical and professional activities required for establishing, managing, and maintaining the environment are the responsibilities of the Service Provider. The environment and/or applications must be available on a 24 hours per day, 365 days per year basis, providing around- the- clock service to customers as defined in this RFP.
12	SOW	The web portal hosting site environment shall include redundant power, fire suppression, and 24 hours per day, 365 days per year on- site security. The hosting environment shall include redundant Internet connectivity, redundant firewalls, Virtual Private Network (VPN) services, secured remote access methods, fault tolerant internal network with gigabit Ethernet backbone, clustered central file and database servers, load balanced, application, and web servers, hardware, accelerator, three tier development environment, nightly backups, and 24x365 monitoring of all services and servers.
13	SOW	The Service Provider shall identify all of its strategic business partners who will be involved in any application development and/or operations.
14	SOW	The State shall have the right at any time to require that the Service Provider remove from interaction with State any Service Provider representative who the State believes is

		detrimental to its working relationship with the Service Provider. The State will provide the Service Provider with notice of its determination, and the reasons it requests the removal. If the State signifies that a potential security violation exists with respect to the request, the Service Provider shall immediately remove such individual. The Service Provider shall not assign the person to any aspect of the contract or future work orders without the State's consent.
15	SOW	The Service Provider will ensure the State's Recovery Time Objectives (RTOs) is met.
16	SOW	The Service Provider will provide evidence that their Business Continuity Program is certified and mapped to the international BS 259999 standard.
17	SOW	The Service Provider shall ensure that State backed-up data is not commingled with other cloud service customer data.
18	SOW	**SLA/SOW - Return of Customer Data/Unique Post Termination:** The Service Provider shall make available to the State all Customer Data in a state defined format based on vendor and state platforms including: Database, O/S and physical media, along with attachments in their native format.
19	SOW	Service Providers shall comply with and adhere to the State IT Security Policy and Standards. These policies may be revised from time to time and the Master Contractor shall comply with all such revisions. Updated and revised versions of the State IT Policy and Standards are available at: www.DTI.Delaware.gov
20	SOW	The Master Contractor may deliver two copies of each software source code and software source code documentation to a State- approved escrow agent with the State's prior approval. The Master Contractor shall cause the escrow agent to place the software source code in the escrow agent's vaulted location, in Delaware, and that is acceptable to the State. Two copies of the source code shall be stored on compact discs or other media designated by the State in a format acceptable to the State, and shall be easily readable and understandable by functional analysts and technical personnel with the skill set for that type of component, subcomponent, or software code.